Exmoor PES Scheme

Valuing land for all it is worth

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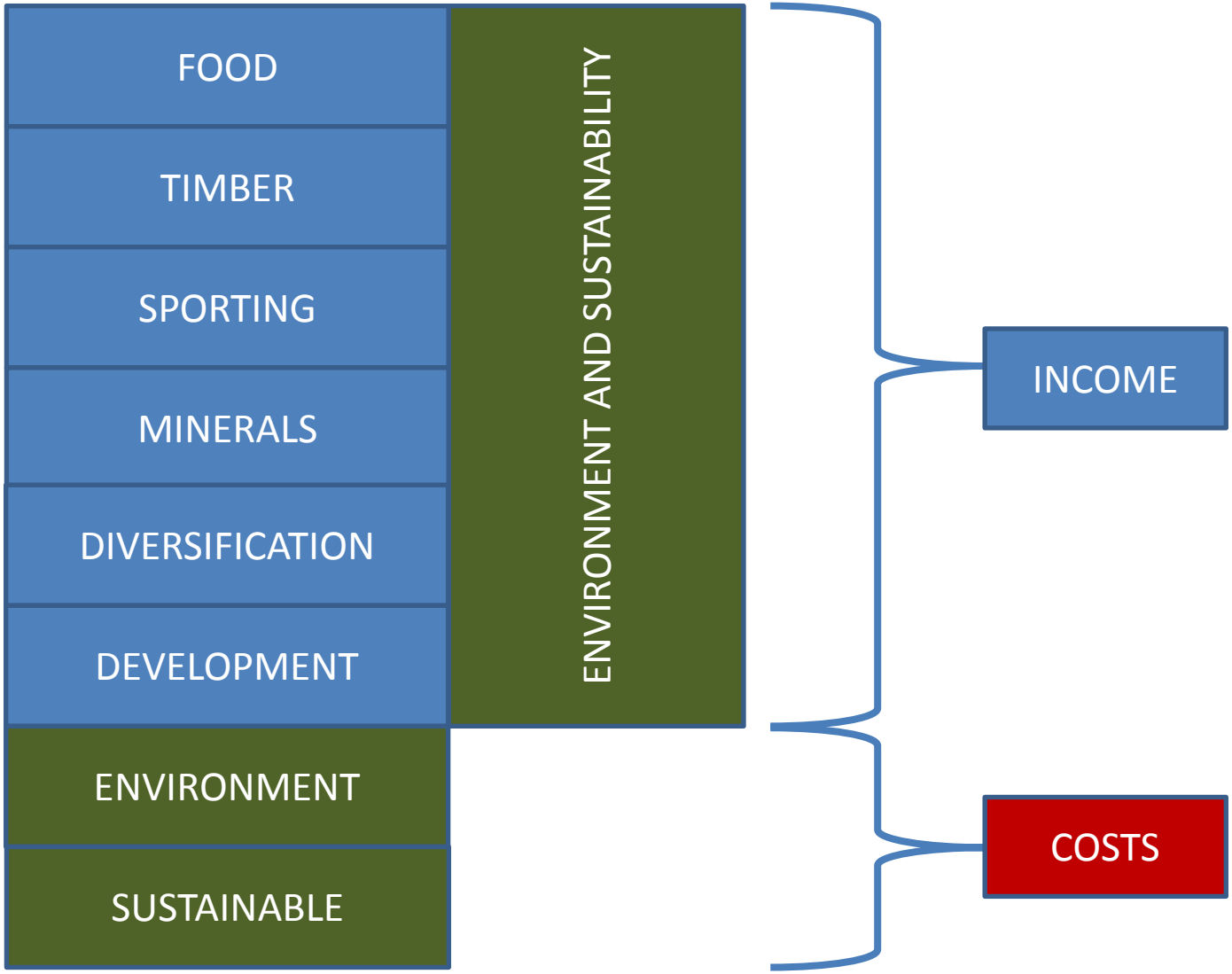
New land management and valuation requirements are emerging

New markets

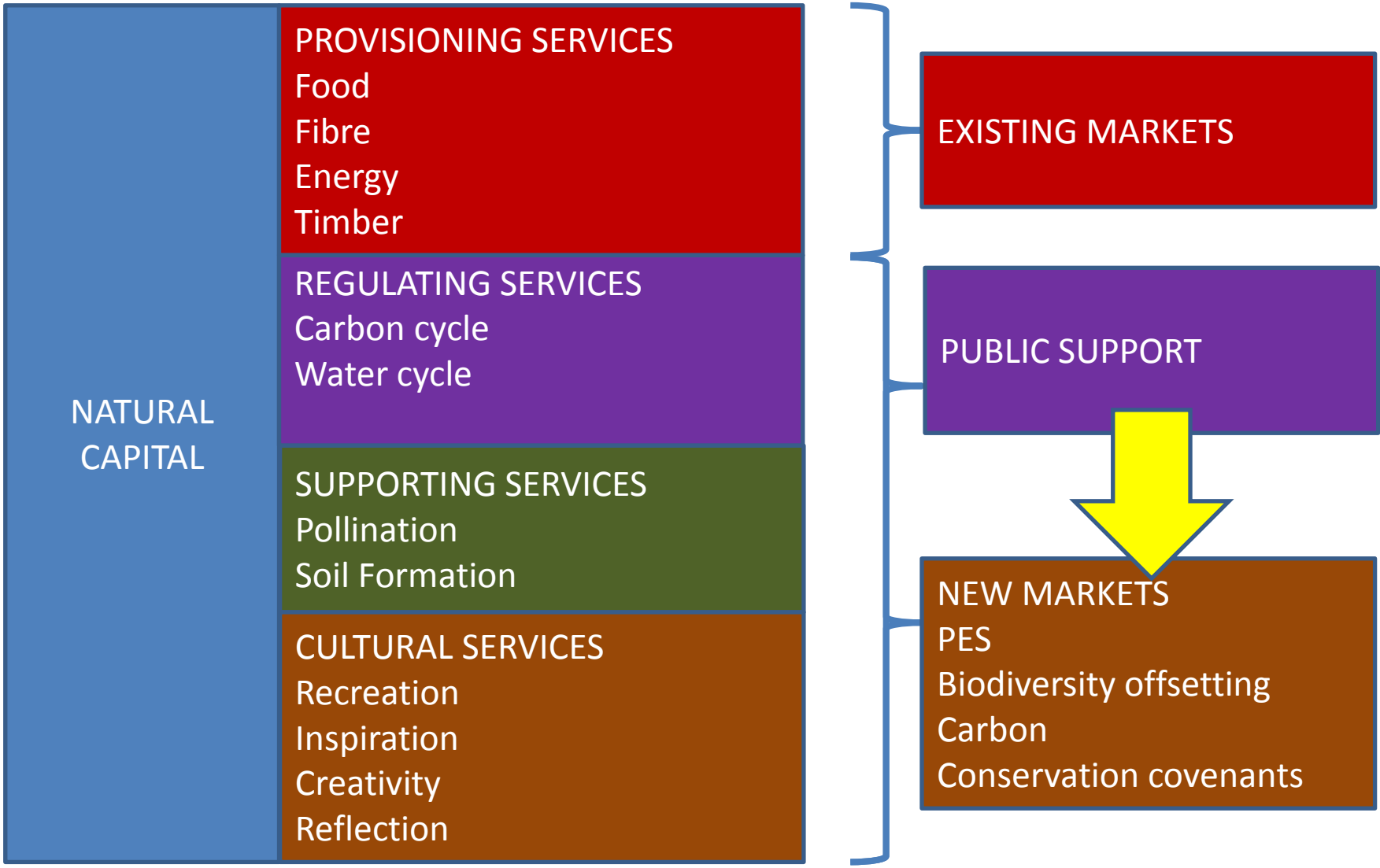
New challenges to professional practice

New environmental, social and economic opportunities and challenges

Old Ways with Land



New Ways with Land



POLICY CONTEXT

Water, water, every where,
And all the boards did shrink;

Water, water, every where,
Nor any drop to drink.

Foresight Land Use Futures 2010

The need for a better appreciation of value in land use governance

How we value land, and the services it provides, is at the heart of decisions on land use change[27]. However, as priorities for land use and land management shift (for example, to reflect long-term challenges identified in this report), these need to be reflected in how we govern land use today.

use sectors" – to reflect a much broader concept of the value generated by land. Only then will the greatest benefits be unlocked, and tensions effectively managed. A more sophisticated approach to valuing land needs to be embedded into policy cycles and into the governance mechanisms, including future incentives and regulation.

within existing laws that respect property rights. The appropriate concept of value is a broad one, encompassing the full range of ecosystem services, whether or not they are marketed.

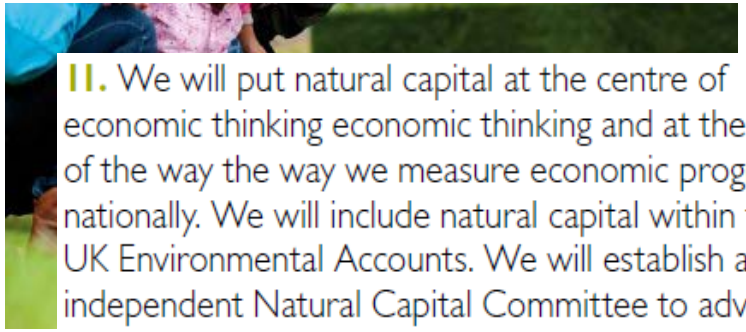
White Paper

- Growing a Green Economy
- Green market opportunities
  - Ecosystem Market Taskforce
- Valuation of Nature
  - Natural Capital Committee

HM Government

The Natural Choice: securing the value of nature

10. Too many of the benefits we derive from nature are not properly valued. The value of natural capital is not fully captured in the prices customers pay, in the operations of our markets or in the accounts of government or business. When nature is undervalued, bad choices can be made.



11. We will put natural capital at the centre of economic thinking economic thinking and at the heart of the way the way we measure economic progress nationally. We will include natural capital within the UK Environmental Accounts. We will establish an independent Natural Capital Committee to advise the Government on the state of natural capital in England.

Top 10 Business Opportunities include:

1= Biodiversity Offsetting (BDO) and Conservation Banking

- Estimated size of market £50 – 300 million pa from housing, plus other sectors
- Brokerage, certification and registration
- Additional costs to builders/developers *deducted from land value*

1= Peatland Carbon Code and Carbon Credits

- Peat restoration for carbon storage
- Management schemes and incentives
- Certification and brokerage

Layered PES (Payments for Ecosystem Services)

- Different Environmental Services to different buyers
- Eg →

Carbon sequestration

Reducing insurance risk through green infrastructure

Environmental bonds

http://www.valuing-nature.net/opportunities-uk-business-protect-and-value-natures-services-report-published-today
[accessed 19 July 2012]

Thinkpiece

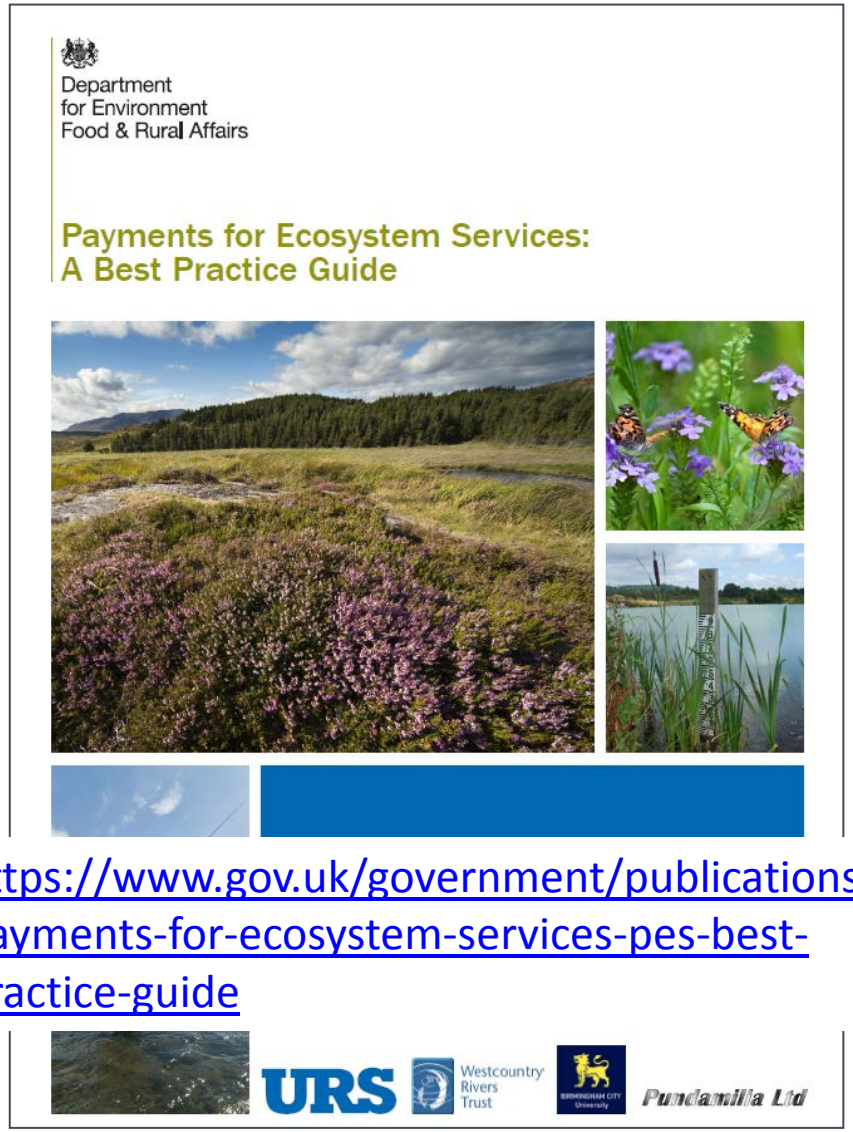
- Royal Charter
  - *Promote the usefulness of the profession to public advantage*

- New opportunities in land management
- New ways of working in development
- New points to reflect in conventional valuations
- New types of valuation

Defra 2013

Payments for ecosystem services: a Best Practice Guide

Published May 2013



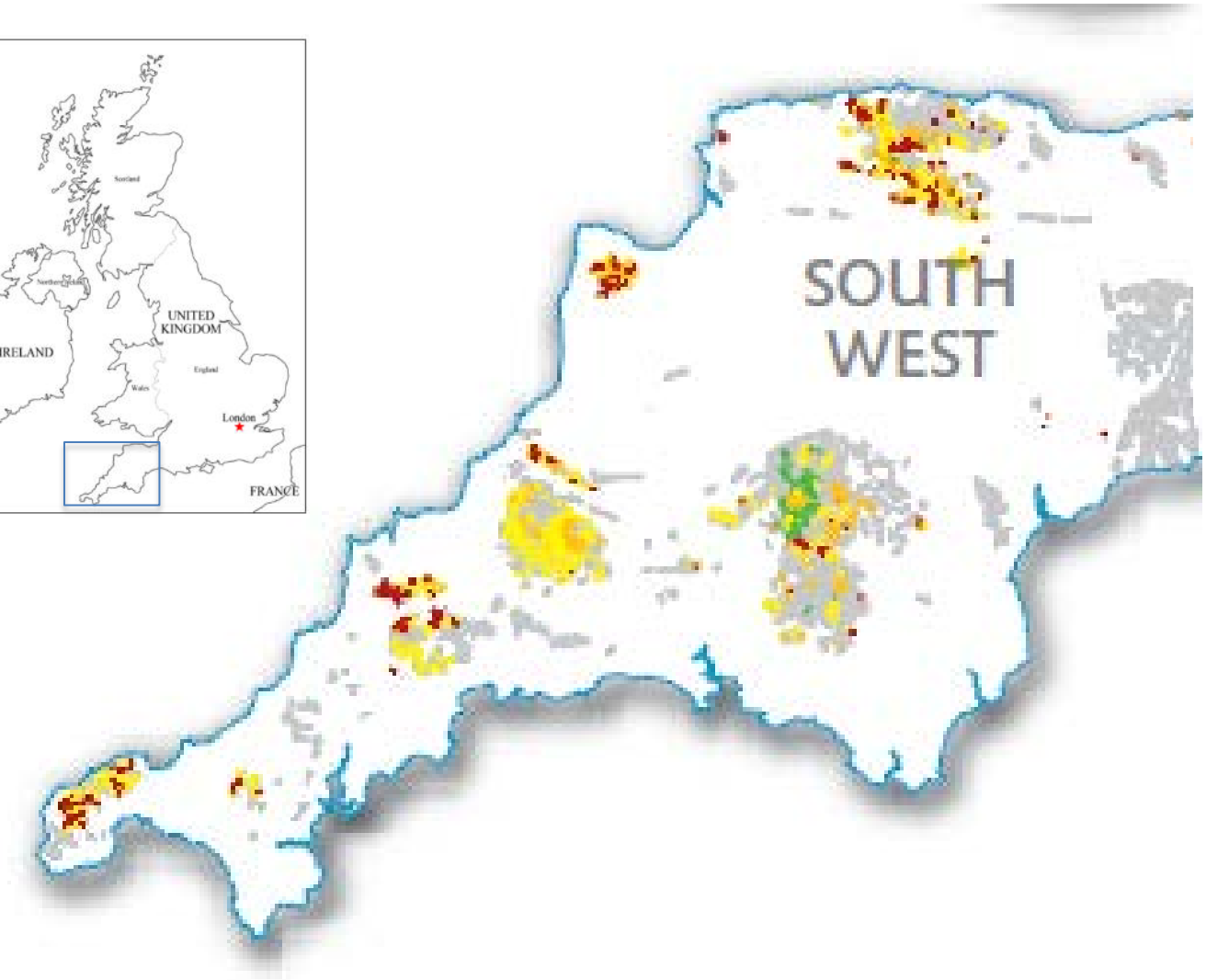
https://www.gov.uk/government/publications/payments-for-ecosystem-services-pes-best-practice-guide

New Ways of Working

- New forms of appraisal
- New opportunities
- New values
- New ways to collaborate
- But will farmers be *entrepreneurial* enough?
- A new paradigm: farmers as ecosystem entrepreneurs …… ?????

Peat’s Story

Distribution of upland peatlands in the South West of England



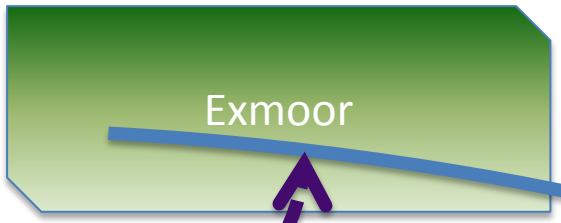
The mires on Exmoor

Domestic and commercial peat cutting for fuel

Cutting carried on until the end of the c20th

Context: Exmoor example

CO_2



R Barle

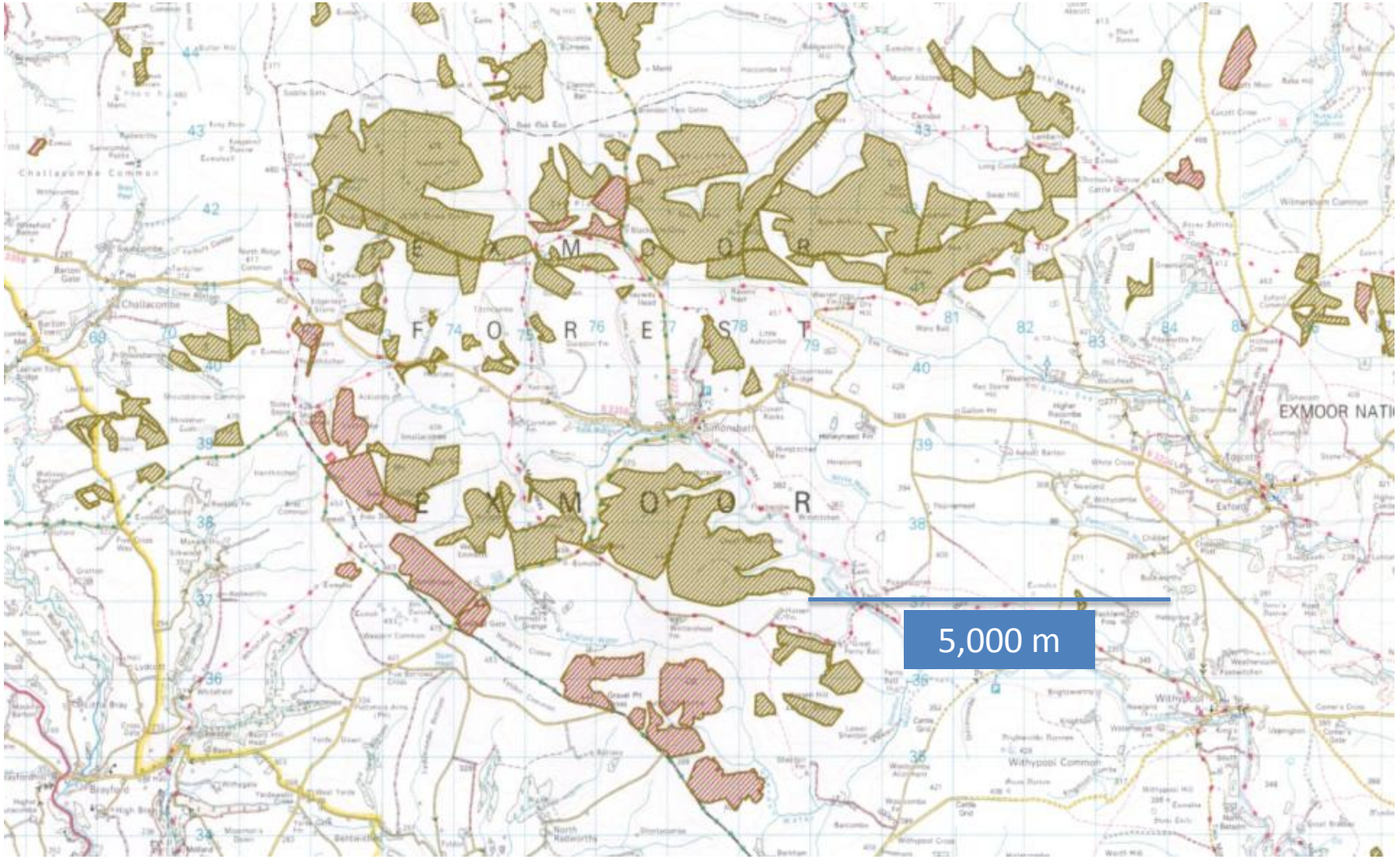
R Exe

Exebridge Pumping Station

Wimbleball Resr & River Haddeo

Replenishment Pumping Approx 5 miles, lifting water from 120 to 240 m AOD

Where?- the pink bits



PES (Payment for Ecosystem Service) Schemes do not start with a blank sheet

- PES Requirements may have a knock-on effect on existing land use, management and economics

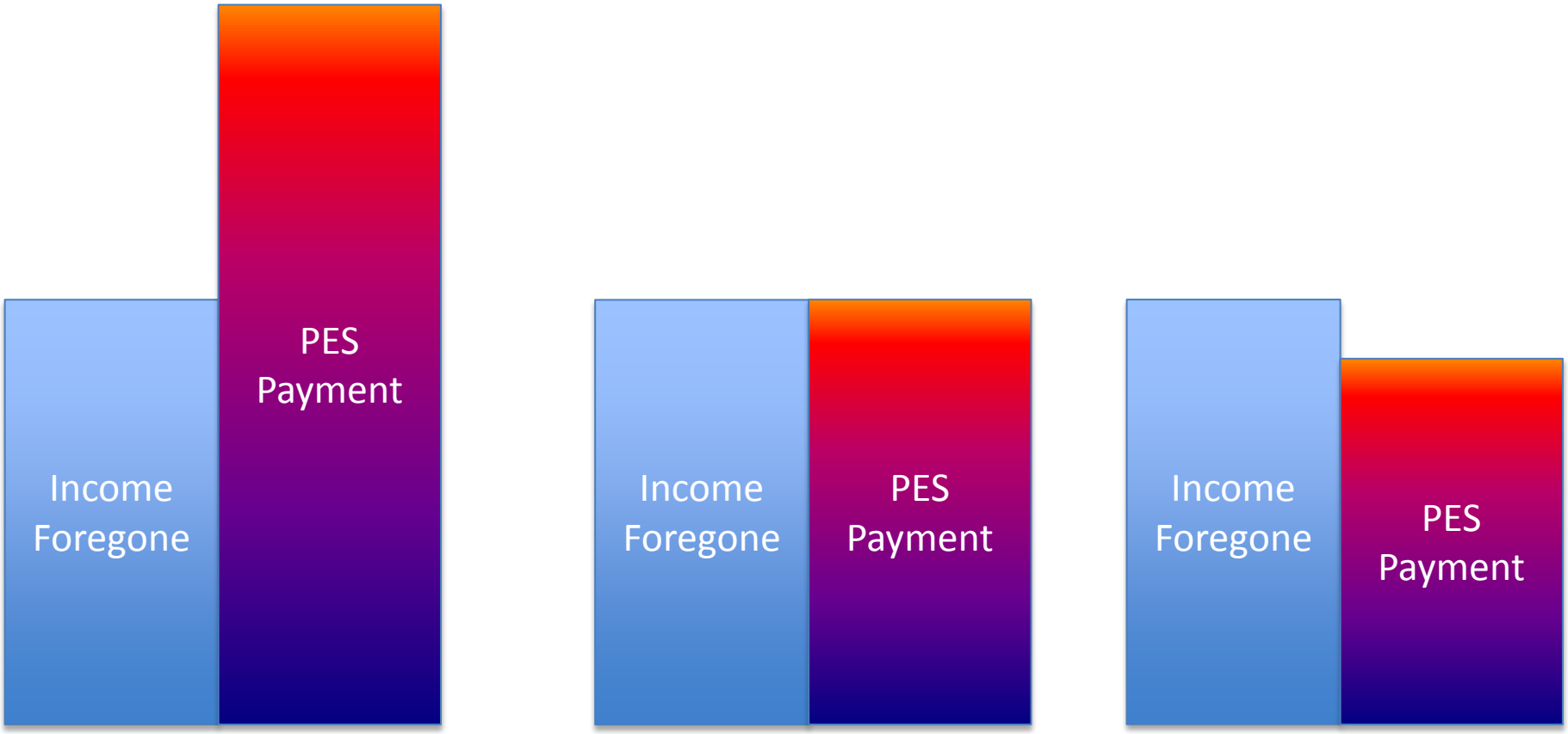
- From a commercial point of view, PES must therefore at least equate to existing returns

- And preferably exceed them if schemes are to be secure

Financial evaluation

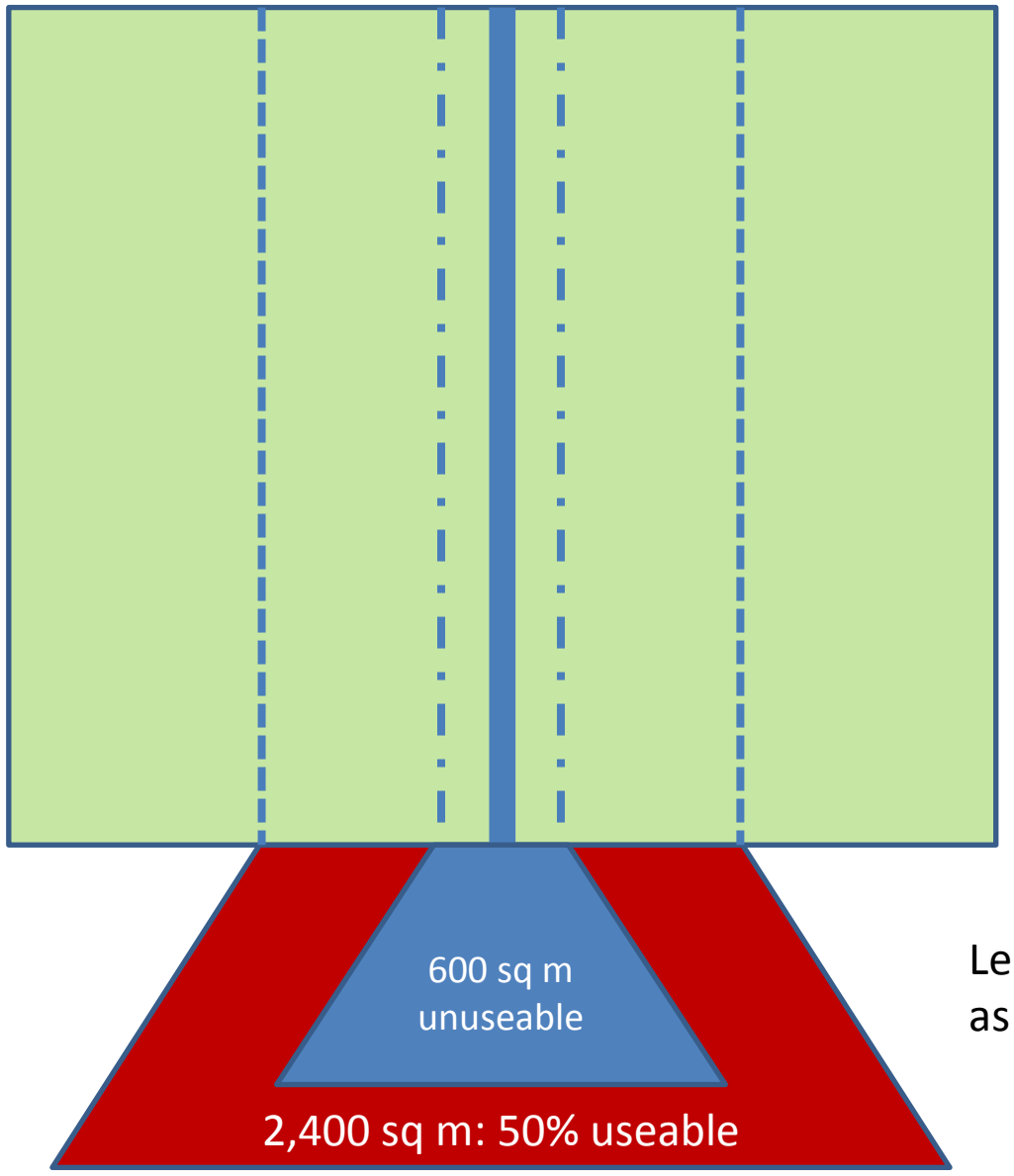
Costs saved • Eg some livestock purchases	Extra costs, eg • Access time to more difficult ground • Vet and med bills • Insurance • Feed • Machinery costs (if contracting to be offered)
Extra Revenue eg • PES income • Contracting opportunities for SWW	Lost Revenue • Eg some livestock LWG or sales
+ Balance: financially worthwhile • Consider capital and tax implications	Balance positive: not financially worthwhile

So the ideal is:



How much does peat's farming utility change with rewetting?

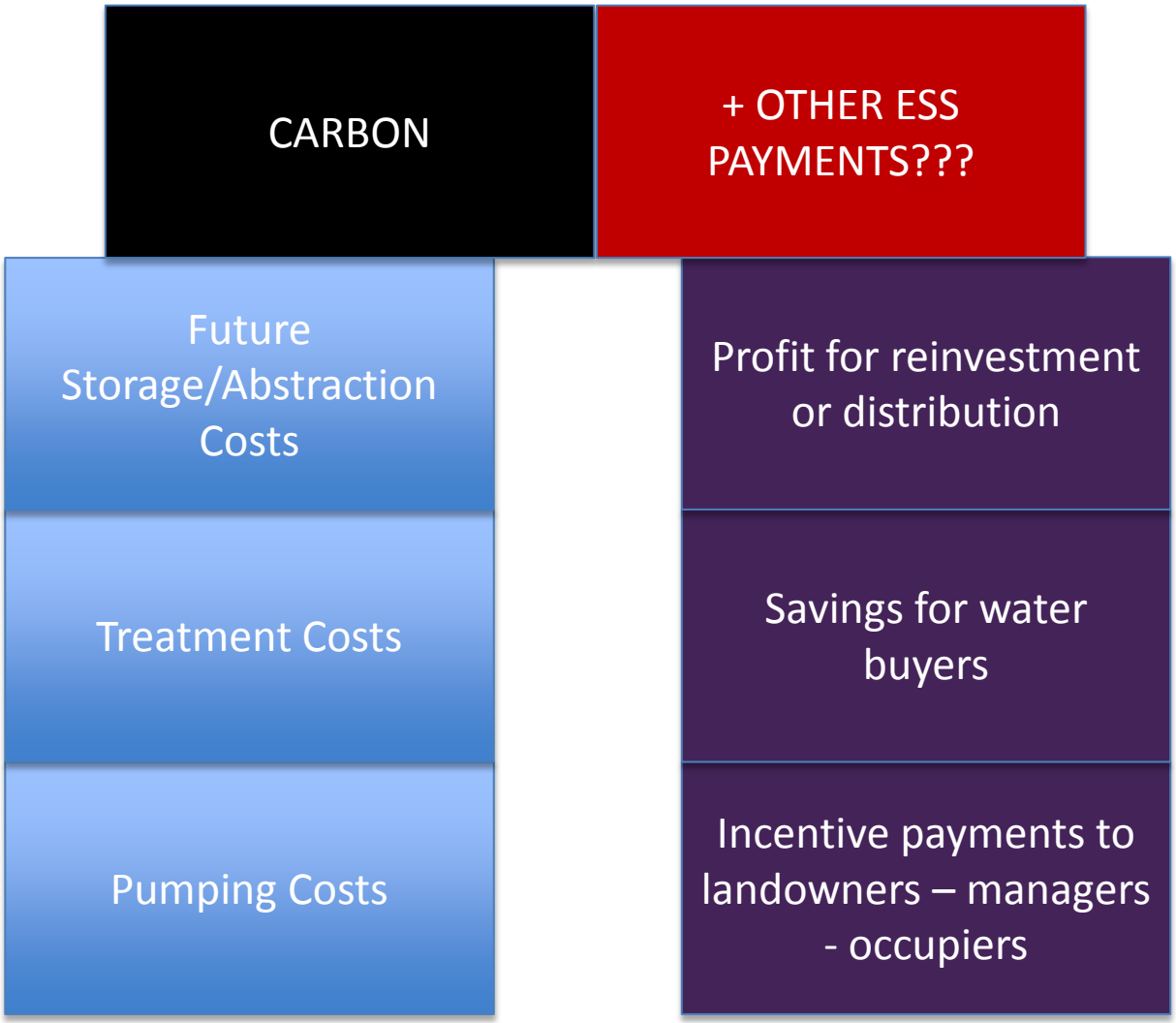
MODEL HECTARE BEFORE AND AFTER REWETTING



Leaves 7,000 sq m as before

One hectare: 100 m x 100 m

Economics


CARBON
+ OTHER ESS PAYMENTS???
Future Storage/Abstraction Costs
Treatment Costs
Pumping Costs
Profit for reinvestment or distribution
Savings for water buyers
Incentive payments to landowners – managers - occupiers

PROSPECTUS

- Proposed scheme(s)
- Basis(es) of offer

Questions for consideration

- Contractual aspects
- Land tenure
- Effects on other interested parties
- Practical farming considerations
- Animal welfare and health
- Public liability
- Relationship other schemes
- Other business considerations
- Maintenance obligations
- Tax
- Impact on value
- Security/risk

Decision Criteria and guidance

Site suitability

- Peatland → known mapped damage
- Detailed survey & mapping
- Damage restorable?
- Farming impact?
- Drainage/wetness implications for surrounding land

Land manager

- All interests
- New management requirement?
- Impact on other opportunities (+/-)
- Financial

Discussion

Contact Details

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Translating new knowledge for rural professional practice